

Network for a Free Society

(previously Atlas Economic Research Foundation (UK))

Annual Report and Financial Statements

Year ended 31 December 2014

Charity no: 262982

Network for a Free Society

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Year ended 31 December 2014

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Network for a Free Society
Reference and Administrative Information
Year ended 31 December 2014

Trustees

L Whetstone, Chairman
M Fisher
R Boyd
K Okonski

The Trustees were in position from 1 January 2014 to the date of this report.

Principal Office

Bassetts Manor
Hartfield
Sussex
TN7 4LA

Independent Examiner

Mark Bullock FCA
Murphy Salisbury
Chartered Accountants
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

Bankers

C Hoare & Co, 37 Fleet Street, London EC4P 4DG.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2014

Report of the Trustees for the year ended 31 December 2014

The Trustees present their report and the financial statements for the year ended 31 December 2014. The financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with the trust deed and applicable law. An independent examination of these accounts has been carried out and the report of the examiner is included on page 6.

Constitution

The Atlas Economic Research Foundation (UK), working as Network for a Free Society ("NFS") is constituted under a trust deed dated 30 July 1971, as amended by a Scheme sealed on 19 July 1984. It is a charity registered with the Charity Commission for England and Wales, number 262982. In December 2010, with the consent of the Charity Commission, it adopted the working name of Network for a Free Society and is now known by that name.

Organisation

Network for a Free Society (NFS) is governed by its Board of Trustees who are appointed from time to time by the existing Trustees. Potential new Trustees are considered in terms of their fiduciary experience, understanding of the institutions of a free society and relevant special knowledge. As NFS is small and available time of Trustees is limited, the process of identifying candidates is informal and based on personal contact. Candidates are expected to be already familiar with NFS and its work so that they can make an immediate contribution. Training needs of Trustees may be discussed in Trustees' meetings and addressed on an individual basis as appropriate.

NFS is managed by its Chairman/Director. The Chairman/Director reports to the Trustees at Board meetings and seeks advice from them between meetings as necessary. The Trustees are responsible for setting broad policy, agreeing strategy, approving annual budgets and reviewing activities and results. The treasurer reviews management accounts on a quarterly basis and is informed of all payments over £2,000.

Independence

NFS is a non-governmental, educational and non-partisan organisation. We value highly our independence from political, commercial or other interests and are governed by a strict code of independence. NFS relies entirely on voluntary donations from individuals, foundations, other charities and businesses. We do not accept grants, donations or other payments from governments or their agencies. We do not accept commissions to perform research on behalf of others. We do not work on a 'consultancy' basis and donors do not have undue influence on what we say.

Risk review

The primary risks to which NFS is exposed are reputational, financial and loss of the Chairman/Director. These risks are reviewed at Board Meetings.

Objects

The objects of NFS are to promote the advancement of learning by research into economic and political science and the publication of such research and in particular (1) by promoting the study of the effect of moral and political factors on the operation of economic laws; (2) by advancing knowledge of economic political and international relations; (3) by providing financial support to individuals engaged in research in the field of economic science; and (4) by joining with, collaborating with and supporting other charitable bodies engaged in similar activities.

Aims and strategy

Our goal is to encourage opportunity and prosperity by promoting understanding of the principles of a free and responsible society and the foundations on which it is based: limited government, the rule of law, the protection of private property, free markets and free speech.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2014

We pursue this goal by creating educational material in several languages which is then distributed to colleagues working with students worldwide. Currently we have material in Arabic, Chinese, English, French, Kyrgyz, Farsi, Portuguese, Russian and Turkish.

We also run meetings where our mission is explored and explained and fund fellowships to enable attendance by selected individuals who might not be able to pay all of the costs themselves.

Grant making policy

NFS makes grants to individuals and organisations to enable them to run seminars, conferences, essay competitions, camps and workshops where our CDs and other material that support our mission will be distributed, explored and discussed; and we make grants to individuals to enable them to attend such events. We also make grants for translation of texts that support the mission and for publication in hard or soft copy.

Reserves policy

The Trustees' overall objective is to maintain as high as possible a level of programme activity, and not to accumulate reserves beyond the level appropriate to operational requirements.

The Trustees believe that NFS should hold operating reserves because (i) it has no endowment funding and is entirely dependent for income on donor funding from year to year, which is inevitably subject to fluctuation, and (ii) new programme opportunities frequently arise at short notice. As the levels of income and outgoings cannot be predicted with any certainty, the appropriate level of reserves is likely to fluctuate. The Trustees believe that, as a general principle, the level of operating reserves should be equivalent to six months' budgeted operating expenses.

At 31 December 2014, free reserves, defined by the Charity Commission as unrestricted funds not represented by fixed assets, amounted to £140,762, an increase from the 2013 level of £128,934.

Investment policy

It is the Trustees' policy to manage investments in a conservative manner, appropriate to the Reserves policy. Investments are not regarded as a permanent endowment, and investment income is not reinvested but used to support NFS's work. Funds available for investment, if any, are invested in professionally managed common investment funds. Investment results are reviewed regularly and policy is reviewed annually. NFS did not hold investments during the year under review. Reserves were held in the form of liquid deposits.

Public Benefit

The Trustees confirm that in exercising their powers and fulfilling their responsibilities in pursuit of the aims described above ("Aims and strategy") they have paid due regard to the guidance on public benefit published by the Charity Commission.

Website and Facebook

Its website and Facebook page are the primary means by which NFS communicates directly with the public.

These sites include: www.networkforafreesociety.org and <http://www.facebook.com/freesociety>.

Financial Review

NFS benefited during the year from the receipt of grants from International Policy Network which enabled programme support in many areas. NFS does not have to raise money for regular administration which is carried out on a voluntary basis, nor for office costs which are donated. It does, however, need funds for temporary assistance with administration, website creation and support; and for its programs which are mostly run by others on a programme by programme basis as funds permit. NFS presently has one salaried employee engaged in translation and in publication support.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2014

NFS's total incoming resources were £170,793 (of which £107,419 were restricted), compared with £223,355 in 2013. Donations income, or "Voluntary Income", was £168,622 compared with £222,848 in 2013. Resources expended were £209,186. Grants totalling £128,741 were made in 2014 to organisations who ran essay competitions, educational seminars, camps and workshops as well as assisting with the production and distribution of CDs. We continued to provide for translation of a publication of the Institute of Economic Affairs which we had supported in 2012. Administration and Governance costs were £9,255. NFS prepares its accounts in Sterling; however, almost all donations are received in US Dollars and almost all grants and other disbursements are similarly made in US Dollars. Accordingly, funds are held in Dollar form pending use and gains or losses are recorded in the accounts depending on fluctuations in the Sterling-Dollar exchange rate. Details of expenditure may be found in the Notes 2-4 to the Accounts on page 10. Total funds carried forward at 31 December 2014 were £181,923, which included restricted funds of £41,161.

2014 Programme Activities

We completed the 3rd Edition of the English CD "Ideas for a Free Society" and the first edition of a version in French. About 21,000 of the English CDs have already been shipped and are now with students in Nigeria, South Africa, Zimbabwe, Uganda, Ethiopia, Malawi, Vietnam, Taiwan, South Korea, Kyrgystan, Kazakstan, Kenya, Nepal, Hong Kong, Philippines, Pakistan and India. French CDs have been shipped to our partners in France, Mali, Cote D'Ivoire, Senegal, and Morocco for distribution throughout the Maghreb.

Translations into Farsi continued and two editions of the magazine "Excellent Organisation" were published and a number of speakers supplied for conferences in Tehran. There were about 30 new translations into Arabic in 2014, a number of which have been printed in hard copy. Also we funded events of the Arab Center in a number of Arabic countries including Tunisia, Egypt and Yemen. For example, the Arab Center Summer School in Tunisia was on freedom and the rule of the law. It was taken by 6 scholars from Morocco, Kuwait, Lebanon, Tunisia and Palestine and 37 participants came from Morocco, Algeria, Libya, Tunisia, Egypt, Oman, Jordan, Bahrein, Yemen, Mauritania, Iraq (and Kurdistan), Kuwait and Palestine.

We funded various competitions in Kazakstan, Kyrgystan, Kenya, Nepal, Ukraine, Bosnia, China, Namibia, Turkey and Cote D'Ivoire. These were mostly essay or ideas competitions. Our main essay competition covering all sub-Saharan Africa attracted 600 entries in 2014, about double those of previous years.

Four translations of the IEA/Eamonn Butler publication "Foundations of a Free Society" were funded, including French, Farsi, Swahili and Amheric. Also publications of the book in sub-Saharan Africa generally and Ethiopia and Tanzania specifically in Amheric and Swahili.

In 2014 only one travel grant was funded for an academic from Peshwar in Pakistan, to attend Atlas Think Tank Start Up Training in Nepal and the Asia Liberty Forum that followed it.

Programs for students, academics and/or intellectuals were funded in Turkey, Malaysia, Ethiopia, Kenya, Malawi, Armenia and Pakistan.

Most of these programs were completed successfully but unfortunately not all. The essay competition in Ukraine had been planned for 2013 but was shelved because of the revolution. It was carried out in 2014 instead but on a smaller scale than originally planned.

The competition planned for Tajikistan has to be postponed as another funder pulled out. It is hoped to carry it out in 2015. The programme in Afghanistan had to be put on hold while there was no agreement on the result of the election so no minister to sign the permissions needed for the program to proceed. It is hoped this will be resolved shortly.

Copies of the Amheric version of "Foundations for a Free Society" in Ethiopia were seized by the police when they broke up a seminar put on by our Ethiopian partners who were badly beaten up and put in jail. They are now out of jail and expecting to get the books back but it will be a while before they feel it is safe to distribute them.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2014

The planned program in China was ended when the authorities put the three main officials of the Transition Institute in jail and closed the Institute down. Two have now been released but will need to remain inactive for a considerable time and that project sadly will never be completed.

Future

The Trustees intend to continue the type of programs carried out in 2015 although they may be somewhat reduced depending on funding available.

Statement as to Disclosure of Information

The Trustees who were in office on the date of these financial statements have confirmed that, as far as they are aware, there is no relevant information of which the independent examiner is unaware. Each of the Trustees have confirmed that he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that it has been communicated to the examiner.

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by

LINDA WHETSTONE
Trustee

Date

25/3/15



Network for a Free Society
Report of the Independent Examiner
Year ended 31 December 2014

Independent Examiner's Report to the Trustees of the Network for a Free Society.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the Charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of Section 144 of the Charities Act 2011 (the Act) does not apply, and that an independent examination is needed. It is my responsibility to examine the accounts under Section 145 of the Act and to follow the procedures specified in the General Directions given by the Charity Commission under Section 145(5) (b) of the Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mark Bullock FCA
Murphy Salisbury
Chartered Accountants
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

.....25 March.....2015

Network for a Free Society
Statement of Financial Activities
Year ended 31 December 2014

	Notes	Unrestricted Income Funds	Restricted Income Funds	Total Year to 31 December 2014	Total Year to 31 December 2013
		£	£	£	£
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income		61,203	107,419	168,622	222,848
Investment income	1	441	-	441	507
Gain on Foreign exchange		1,730	-	1,730	-
TOTAL INCOMING RESOURCES		63,374	107,419	170,793	223,355
Resources Expended					
Charitable activities:					
Grants	2	33,677	95,064	128,741	135,917
Programme activities		8,614	62,576	71,190	61,053
Property and administration		7,095	-	7,095	14,558
Governance		2,160	-	2,160	2,106
TOTAL RESOURCES EXPENDED	3	51,546	157,640	209,186	213,634
NET (OUTGOING)/INCOMING RESOURCES, BEING NET MOVEMENT IN FUNDS					
	4	11,828	(50,221)	(38,393)	9,721
TOTAL FUNDS BROUGHT FORWARD	9	128,934	91,382	220,316	210,595
TOTAL FUNDS CARRIED FORWARD	9	140,762	41,161	181,923	220,316

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

Network for a Free Society

Balance Sheet

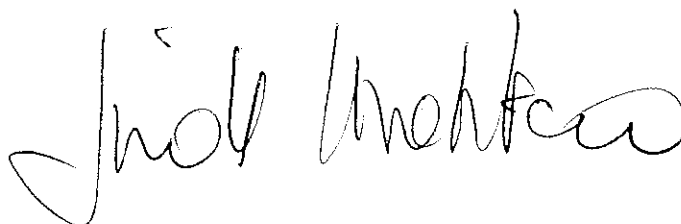
At 31 December 2014

	Notes	At 31 December 2014 £	At 31 December 2013 £
Current Assets			
Cash at bank		189,730	227,323
		<u>189,730</u>	<u>227,323</u>
Creditors: amounts falling due within one year	7	(7,807)	(7,007)
Net current assets		<u>181,923</u>	<u>220,316</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES	8	<u>181,923</u>	<u>220,316</u>
 Funds			
Unrestricted funds	9	140,762	128,934
Restricted funds	9	<u>41,161</u>	<u>91,382</u>
TOTAL FUNDS	9	<u>181,923</u>	<u>220,316</u>

Approved and authorised for issue by the Trustees on 3/3/15

and signed on their behalf by

LINDA WHETSTONE
Trustee



Network for a Free Society

Principal Accounting Policies

Year ended 31 December 2014

(a) Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the Charities Act 2011. In preparing the financial statements, the charity follows UK accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005).

(b) Voluntary income

Voluntary income comprises donations and membership subscriptions. These are included in the year in which they are receivable, which is when the charity becomes entitled to the resource with reasonable certainty having met all the conditions for its receipt and it can be measured reliably.

(c) Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

(d) Resources expended

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs incurred in raising the media profile of the charity and encouraging voluntary donations. Fundraising costs comprise staff time and associated costs of preparing applications for funds.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Administration costs are those costs incurred in providing a central resource to manage the office of the charity on a day to day basis.

Governance costs are those legal and professional costs, including audit fees, and Trustees' expenses incurred in fulfilling the statutory obligations of the charity.

(e) Fund accounting

Details of the nature and purpose of each fund is set out in Note 9. Restricted funds are those donated to the charity for a specific purpose.

(f) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(g) Allocation of expenditure

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

(h) Cashflow statement

The charity has taken advantage of the exemption from preparing a cashflow statement in accordance with FRS1 as the charity is classed as a small entity.

(i) Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2014

1. Investment income

	Unrestricted £	Restricted £	2014 £	2013
COIF – deposit interest	441	-	441	506
Bank interest	-	-	-	1
Total	441	-	441	507

2. Grants payable

	Unrestricted £	Restricted £	2014	2013
African Liberty Organisation	1,291	14,194	15,485	12,903
Afghanistan Economic and Legal Studies Organization	-	6,452	6,452	-
Alternate Solutions Institute, Pakistan	-	5,161	5,161	7,742
Arab Center for Scientific Research and Humane Studies	-	19,258	19,258	26,452
Armenian Liberty Students Organization	2,709	-	2,709	1,290
Association “Multi”, Bosnia and Herzegovina	1,935	-	1,935	-
Atlas Economic Research Foundation	-	-	-	6,824
Audace Institut Afrique	3,226	-	3,226	-
Center for Advancement of Free Enterprise, Bosnia	3,226	-	3,226	1,935
Central Asian Free Market Institute, Kyrgyzstan	-	4,516	4,516	3,871
Mamy Institute, Ukraine	-	-	-	1,935
East Africa Policy Centre, Nairobi	3,226	-	3,226	-
Foundation for Research and Education in Economics	-	-	-	2,000
Institute For Democracy and Economic Affairs, Malaysia	-	11,613	11,613	20,000
Institut Coppet	1,935	-	1,935	2,258
Institute for Development and Economic Affairs, Kazakhstan	-	4,516	4,516	3,871
International Leadership Institute (Adams Library)	-	-	-	6,451
Istanbul Network for Liberty	-	6,452	6,452	3,925
Istanbul Network for Liberty, Pakistan	-	-	-	6,452
Association for Liberal Thinking, Turkey	-	13,548	13,548	16,129
Language of Liberty Institute	3,226	-	3,226	-
Samriddhi The Prosperity Foundation	3,226	-	3,226	-
Students for Liberty	3,226	2,903	6,129	-
Tajikistan Free Market Centre	-	4,516	4,516	3,871
Tashende Enterprises, Namibia	1,935	-	1,935	-
Teachings of Entrepreneurship on Antipoverty Movement, Ethiopia	3,226	1,935	5,161	-
Travel Grant to Individual Academic	645	-	645	-
The Transition Institute, China	-	-	-	8,008
New Economic School, Georgia	645	-	645	-
Total	33,677	95,064	128,741	135,917

Network for a Free Society
Notes to the Financial Statements
Year ended 31 December 2014

3. Total resources expended

Costs directly related to activities:	2014	2013
Property and administration costs:		
Office and accounting costs	4,147	2,694
Bank fees	1,258	937
Loss on foreign exchange	-	8,428
Communications and website	1,690	2,499
	<u>7,095</u>	<u>14,558</u>
Grants	128,741	135,917
CD Project	20,686	797
Arabic Project	8,372	13,049
Farsi Project	40,162	44,764
Miscellaneous Translations	1,970	2,443
Governance	2,160	2,106
Total resources expended	<u>209,186</u>	<u>213,634</u>

4. Net (outgoing)/incoming resources

This is stated after charging:

	2014	2103
	£	£
Independent examination	2,160	2,070
Loss on foreign exchange	-	8,428

5. Staff costs and remuneration of trustees

Staff costs:	2014	2013
	£	
Wages and salaries	38,000	36,000
Social security costs	2,155	3,914
	<u>40,155</u>	<u>39,914</u>

The average number of staff employed, calculated as full time equivalents, during the year was as follows:

2014	2013
No.	No.
<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000 in either the current or preceding year.

None of the Trustees received any remuneration or expenses from, or made any donations to, the charity during either the current or previous years. There was an amount owed to the Chairman at the year end of £301 (2013: Nil).

6. Taxation

The charity is exempt from corporation tax on its charitable activities.

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2014

7. Creditors: amounts falling due within one year

	2014	2013
	£	£
Other creditors	301	-
Taxation and social security	3,337	3,151
Accruals	4,169	3,856
Total	7,807	7,007

8. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Current Assets	145,232	44,498	189,730
Current Liabilities	(4,470)	(3,337)	(7,807)
Total	140,762	41,161	181,923

9. Unrestricted and restricted funds

	At 1 January 2014	Incoming Resources	Outgoing Resources	At 31 December 2014
	£	£	£	£
Unrestricted funds	128,934	63,374	51,546	140,762
Restricted funds:				
Ideas CD project	13,074	76,774	89,848	-
Arabic Project	38,295	12,903	27,630	23,568
Farsi Project	40,013	17,742	40,162	17,593
Total restricted funds	91,382	107,419	157,640	41,161
Total funds	220,316	170,793	209,186	181,923

Unrestricted funds – comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds – are funds which have been given for particular purposes and projects: the ideas CD project involves the translation of texts and creation and distribution of CDs; and there are specific projects relating to Arabic and Farsi translations.